

MONEY MYTHS SERIES

Renting Tradelines to Boost Your Credit Score: What Actually Happens

Buying an authorized-user tradeline can bump a thin file, but scoring models discount it, mortgage lenders screen it out, and the FTC has sued sellers.

By Eric Ridley, attorney, Ridley Law · Updated September 2026 · Read online with live links: ridleylawoffices.com/buying-tradelines/

Part of our [money myths series](#), where we look at who gets paid when you follow money advice from social media.

The pitch: pay to be added as an authorized user on a stranger's old, high-limit card and watch your score jump 100 points in weeks. **The verdict:** it can lift a thin credit file for a short time, but FICO and VantageScore both say they now blunt rented tradelines, mortgage lenders screen them out, the FTC has sued sellers, and using one to mislead a lender is a federal crime.

\$325 to \$4,000

fees one tradeline seller charged, the FTC alleged (2020)

100 to 120 points

score jump that seller advertised in two to six weeks (FTC, 2020)

2 months

how long a rented spot stays on, per a seller's own listings (2026)

7.9%

of subprime borrowers with recent late payments helped enough to move up a tier (Federal Reserve, 2010)

19.1%

of consumers have at least one authorized-user account (CFPB, 2017)

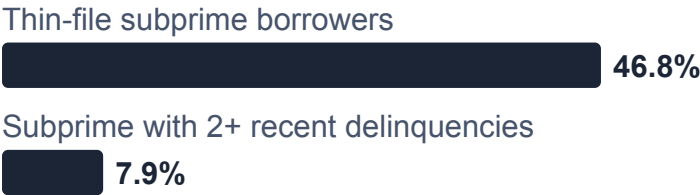
Who gets paid. The tradeline company first, the stranger who owns the card second. The Federal Reserve described the business in 2010: buyers pay a company to find an account holder willing to add them in exchange for a portion of the fee. You get no card and no account number, only the line on your report. One seller's listings today run from \$336 for a \$5,300 Barclays card to \$780 for a \$12,300 Chase card, held for two months. The FTC alleged one company charged up to \$4,000.

What is a tradeline?

A tradeline is any account on your credit report. “Renting” one means paying to be added as an authorized user on someone else’s card so its age, limit, and payment history show up on your report too. The legitimate version is a parent adding a child. Fannie Mae describes authorized-user status as a way for a related person, typically a family member managing credit for the first time, to have access to and use an account ([Fannie Mae](#)). In the rented version you never touch the card, and the stranger removes you after a couple of months.

Does renting a tradeline raise your credit score?

Sometimes, for thin files, and by less than advertised. A 2010 Federal Reserve study simulated adding one old, perfectly paid card with a \$15,000 limit to every file. It found piggybacking can materially improve scores, especially for people with thin or short credit histories, but the average gain was 6.9 points on the Fed’s model, which the authors say is roughly five times that on a FICO or VantageScore scale. They called the simulated card a reasonable upper bound, and said real rented accounts may produce smaller gains or even declines ([Federal Reserve, FEDS 2010-23](#)).



Federal Reserve Board, FEDS 2010-23. The authors call the simulated card a reasonable upper bound.

Group	Moved from subprime to near-prime
Thin-file subprime borrowers	46.8%
Subprime with 2+ recent delinquencies	7.9%

The pattern is the point: a rented line helps most when there’s little else on the file, and barely helps when there are recent late payments. In the RCA case, one buyer’s rented line had a far lower limit than promised and raised his score by “two or three points at most” ([FTC v. RCA Credit Services](#)).

Do FICO and VantageScore count rented tradelines?

They count them less. FICO says that in recent versions of its score, authorized-user accounts have less impact than primary accounts ([myFICO](#)). When FICO 08 came out, Fair Isaac said it had built technology to reduce the impact of intentional tampering, after first planning to drop authorized-user accounts entirely ([American Banker, 2008](#)). VantageScore’s 4.0 guide says the impact of score-boosting through rental of authorized-user trades is minimized ([VantageScore](#)).

It can also cut the other way. FICO notes that if the primary cardholder misses payments or runs up the balance, the authorized user's score can drop too. You're borrowing a stranger's habits.

Will a mortgage lender count a rented tradeline?

Often not. Fannie Mae's guide says that on manually underwritten loans, tradelines listing a borrower as an authorized user can't be considered unless an exception applies. Freddie Mac's automated system now flags authorized-user accounts and requires the lender to document that a co-borrower or spouse owns the account, or the assessment isn't valid ([Freddie Mac](#)). FHA rules make the lender count the payment in your debt ratio unless the primary holder's 12 months of payments are documented ([HUD Handbook 4000.1](#)).

So the people most tempted by a quick boost before buying a house are the ones least likely to get credit for it at closing. Fannie Mae's automated system does weigh authorized-user lines in its risk assessment. Sellers lean on that when they advertise to home buyers.

Is buying tradelines legal?

Buying a spot isn't itself illegal. Experian says there's no law against buying tradelines to improve your credit ([Experian](#)). What gets people in trouble is what comes next.

The sellers face credit repair law. In *FTC v. RCA Credit Services*, a federal court held that a company selling authorized-user tradelines operated as a credit repair organization under the federal Credit Repair Organizations Act, and that collecting fees up front violated it ([727 F. Supp. 2d 1320](#), 2010). That Act bars charging before the service is fully performed (15 U.S.C. § 1679b(b)). California's Credit Services Act covers paid services to improve a consumer's credit record, bars charging before full performance, and bars advertising without registering with the state Department of Justice (Civ. Code §§ 1789.12, 1789.13).

The FTC has kept at it. It settled with BoostMyScore in 2020 for a \$6,630,678 judgment, mostly suspended, and an order barring it from adding people to strangers' accounts unless they get real access to the credit; the defendants didn't admit the allegations ([FTC, 2020](#)). It alleged the Grand Teton defendants, operating as "Top Tradelines," took at least \$6.2 million and told customers to mislead lenders by claiming to be authorized users on other people's accounts ([FTC, 2019](#)). In BoostMyScore, the FTC's complaint alleged the company also advised the strangers with good credit on how to conceal what was going on ([FTC business blog](#)).

When does a rented tradeline become fraud?

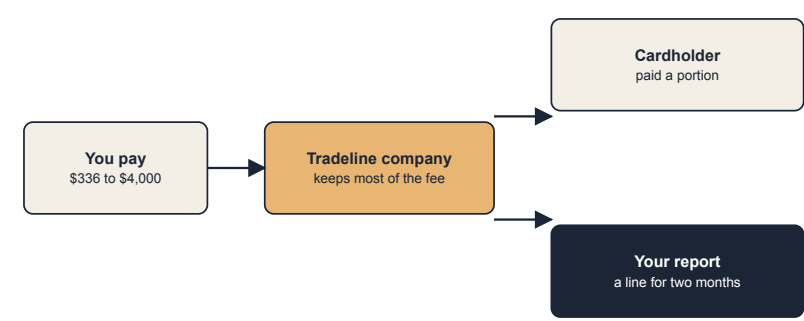
When it's used to mislead a lender. Telling a bank that a stranger's card is your credit, or pairing rented lines with false income or identity documents, can be a false statement to a federally insured lender under 18 U.S.C. § 1014, punishable by up to \$1,000,000 in fines or 30 years in prison. In a February 2026 federal indictment in

Massachusetts, prosecutors allege that applicants were added to the credit accounts of people with strong credit histories, alongside forged paystubs and bank statements, and that the scheme obtained more than \$3.7 million in mortgage loans. The indictment is an accusation, not a conviction ([U.S. Attorney, D. Mass., 2026](#)).

The same mechanism shows up in synthetic identity fraud. Prosecutors in North Carolina described fake “credit privacy numbers” being added as authorized users to build them up. We cover that in [609 letters](#) and [CPNs](#).

What does renting cost? A worked example

Take a hypothetical renter with a thin file who buys two spots from the seller listings above, \$780 and \$336, for two months each. The lines drop off after the rental, and if she’s applying for a manually underwritten mortgage, the lender can’t count them anyway. Compare a credit builder loan: in the CFPB’s study, participants paid \$648 over the life of a loan that released \$600 to them, and those without existing debt saw their scores rise by 60 points more than participants who had debt ([CFPB, 2020](#)).



BoostMyScore, top fee (FTC, 2020)

\$4,000

RCA Credit Services, typical top fee (court, 2010)

\$3,000

Seller listing: Chase card, \$12,300 limit (2026)

\$780

Seller listing: Barclays card, \$5,300 limit (2026)

\$336

Tradeline prices from court records and a seller's own page

Source	Price	Notes
FTC v. BoostMyScore	\$325 to \$4,000	Fees alleged by the FTC; settlement, no admission
FTC v. RCA Credit Services	\$500 to \$3,000 or more	Fees recited by the court on summary judgment
Seller listing, Chase card	\$780	\$12,300 limit, 12 years old, held for two months
Seller listing, Barclays card	\$336	\$5,300 limit, 5 years old, held for two months

Rent two tradelines for two months

\$1,116

Credit builder loan: cost above the \$600 you get back

\$48

Hypothetical cost comparison

Option	You pay	You keep	Net cost
Two rented tradelines (\$780 + \$336)	\$1,116	\$0	\$1,116
Credit builder loan in the CFPB study	\$648	\$600	\$48

The rental costs \$1,116 and leaves nothing behind. The credit builder loan costs \$48 and leaves a 12-month payment history in her own name.

Renting a tradeline compared with building your own credit

Question	Rented tradeline	Credit builder loan, secured card, or family authorized user
Cost	\$336 to \$4,000, gone	Small interest or a refundable deposit; family AU is free
How long it lasts	About two months	Permanent history in your name
How scoring models treat it	Discounted by FICO and VantageScore	Counts as your own account (AU accounts count less)
Mortgage underwriting	Often disregarded or must be documented	Own accounts count fully
Legal risk	Sellers sued under credit repair law; fraud if used to mislead	None

What should you do instead?

- ✓ Ask a parent or spouse with good habits to add you as an authorized user. That’s the arrangement the system was built for.
- ✓ Open a secured card with a bank that reports to the credit bureaus, and pay it in full each month.
- ✓ Look at a credit builder loan through a credit union or community lender.
- ✓ If you rent, ask whether your landlord reports payments. The CFPB says positive rental payments can help build your credit.
- ✓ Never tell a lender a rented card is your own credit.

Helping a child build credit is often part of a family’s wider plan. See [the Bank of Mom and Dad](#) for how families handle it.

Frequently asked questions

Are tradelines legal?

Buying an authorized-user spot isn't illegal by itself, according to Experian. Sellers have been sued under federal credit repair law for charging up front and misrepresenting results, and using a rented line to mislead a lender can be a federal crime.

How much does a tradeline cost?

One seller's 2026 listings run from \$336 to \$780 for two months. In FTC cases, fees ran from \$325 to \$4,000.

How long does a tradeline stay on my report?

Rented spots are typically held about two months, then you're removed. The line may linger as a closed account, but the boost fades.

Do mortgage lenders accept authorized-user tradelines?

Often not without documentation. Fannie Mae's manual underwriting can't consider them except in limited cases, Freddie Mac requires proof of ownership or payment, and FHA counts the payment in your debt ratio unless the primary holder's payments are documented.

Is adding my child as an authorized user the same thing?

No. A family authorized user is the use the system recognizes, and nobody is paid. Watch your own balances, because your habits show up on their report.

Related reading: [0% business funding and credit card stacking](#) and [infinite banking](#). [Talk to Ridley Law](#) about planning for your family.

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More in the [money myths](#) series.

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Questions about your own plan?

Ridley Law helps California families with trusts, wills, trust administration and probate from Port Hueneme, serving Ventura, Santa Barbara and Los Angeles counties. The first call is free and runs 30 minutes.

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